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TO RUEHC/SECSTATE WASHDC IMMEDIATE 2677  
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RHHMUNA/CDRUSPACOM HONOLULU HI IMMEDIATE  
RHEHNSC/NSC WASHDC IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 MANILA 002717

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [RP](#)  
SUBJECT: AMBASSADOR ENGAGES EXECUTIVE SECRETARY ERMITA ON  
PEACE PROCESS

REF: MANILA 2677

Classified By: Ambassador Kristie A. Kenney for reasons  
1.4 (b) and (d).

11. (C) During a private breakfast December 12, Ambassador and Presidential Executive Secretary Ermita discussed the Philippine peace process with Muslim insurgents, the Millennium Challenge Corporation Account, and the U.S. government transition. On the peace process, Ermita said President Arroyo was deeply committed to reaching an agreement before the end of her term and planned to announce a resumption of peace talks with Muslim insurgents at the Philippines Armed Forces Day celebration, December 22. The Ambassador informed Ermita that the Millennium Challenge Corporation had decided to reselect the Philippines for participation but strongly cautioned that the Philippines would have to improve its anti-corruption performance. Ermita was pleased with the news and observed that the Philippines had made significant progress. Turning his attention to an interfaith rally taking place later that day in Manila to demonstrate against efforts to amend the constitution, Ermita commented that it was healthy in a democracy for citizens to air their views and the government was prepared to ensure that the demonstrations did not turn violent or otherwise get out of hand. Ermita concluded by asking the Ambassador to convey the Philippine government's congratulations to Secretary of State-designate Hilary Clinton, noting that President Arroyo had already written a congratulatory letter to Senator Clinton. For her part, the Ambassador took the opportunity to congratulate the Philippine government for Department of Foreign Affairs Undersecretary Rafael Seguis appointment as the government's chief negotiator with Muslim insurgents, reiterating U.S. concern about continued fighting in Mindanao and the need to continue negotiations. Finally, observing that the number of extrajudicial killings had experienced a significant drop, the Ambassador underscored the need for successful prosecutions. End Summary.

BRINGING PEACE TO MINDANAO  
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12. (C) During a broadranging breakfast meeting December 12, Presidential Executive Secretary Eduardo Ermita told the Ambassador that President Arroyo planned to announce a resumption of peace talks with the Moro Islamic Liberation Front (MILF) at the Armed Forces Day celebration, December 122. Ermita said there will be a ceasefire and troops that were brought in during recent fighting in Central Mindanao will be withdrawn (reftel). Echoing what we have heard from other Philippine officials, Ermita was critical of the role the Malaysians played as facilitators in the peace talks with the MILF and hoped that other Organization of Islamic Conference countries could be persuaded to join a panel of facilitators. He was particularly irritated about what he characterized as Malaysian facilitator Datu Othman's "inappropriate behavior," charging that he was not neutral

and gave the MILF bad advice. Looking forward, he was delighted with the appointment of Department of Foreign Affairs U/S Rafael Seguis as new head of the government's peace panel and intimated that he had personally suggested Seguis for the job. He added that President Arroyo would announce the rest of the peace panel December 12, during a planned visit to Cotabato, in advance of her trip to Qatar on December 13. Ermita concluded by saying that with a little over a year left in her term, President Arroyo considers peace in Mindanao a key element of her legacy and is deeply committed to achieving it. The Ambassador welcomed U/S Seguis' appointment, while reiterating U.S. concern about continued fighting in Mindanao and the need to revive negotiations.

#### MILLENNIUM CHALLENGE CORPORATION

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13. (C) The Ambassador informed Ermita that the Millennium Challenge Corporation had decided to reselect the Philippines for participation but cautioned that the Philippines would have to improve its anti-corruption performance and meet Compact criteria. Ermita was pleased with the news and observed that, bad press to the contrary, the Philippines had made significant progress in the last year. Separately, the Ambassador gave the news to Finance Secretary Gary Teves, who pledged to work hard to continue to fight corruption.

#### GOVERNMENT UNFAZED BY RALLIES AGAINST CONSTITUTIONAL CHANGE

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14. (C) Turning his attention to an interfaith rally taking

MANILA 00002717 002 OF 002

place later that day to demonstrate against efforts to amend the constitution, which many Filipinos perceived to be a thinly veiled attempt to keep President Arroyo in office after her term expires, Ermita said the government was not worried, commenting that in a democracy it was healthy for citizens to offer their views. Alluding to the 10,000 people expected to attend the rally, Ermita dismissed the size of the projected demonstration as unimportant and noted that the government had taken precautions to ensure demonstrators did not get out of hand or attempt to take over the airport, as had happened in Thailand. He added that there was as yet no evidence that the demonstration could turn violent. Though the interfaith rally, organized by the leftist group Bayan Muna, is expected to be peaceful, police contacts told us that the Philippine National Police had deployed 5,000 personnel to cover the rally and the five districts in the Manila metropolitan region were on full alert. Similarly, the Commander of the Armed Forces of the Philippines capitol region was reportedly on standby at headquarters.

#### U.S. GOVERNMENT TRANSITION

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15. (C) Ermita concluded by asking the Ambassador to convey the Philippine government's congratulations to Secretary of State-designate Hilary Clinton, noting that President Arroyo had already written a congratulatory letter to Senator Clinton.

KENNEY